

ATTACHMENT 4

SPEECHES

ASIAN BUSINESS DIALOGUE ON CORPORATE GOVERNANCE 2002

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The Oriental Singapore

Keynote Speech
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WHY CORPORATE GOVERNANCE - A TEMASEK PERSPECTIVE

I would like to take this occasion of the Asian Business Dialogue on Corporate Governance organized by ACGA to share with you Temasek Holdings' perspective on corporate governance, and how a shareholder like Temasek can add value to its companies for the benefit of all shareholders.

Relevance of Corporate Governance

2 Companies list on the stock exchanges to raise capital from the public to fund businesses. This approach leads not only to an increase in the number of shareholders or fragmentation, but also makes the link between shareholders and management more remote. Governance issues are often seen as arising from clear separation of ownership from management. Several pertinent issues that immediately come to our mind are: To whom are the board of directors and management accountable? What are the appropriate levels of shareholder involvement? What safeguards can shareholders rely on to ensure the protection of their interest? But governance is more than a shareholder relationship issue. It is a great determinant of the actual business performance of a company.

3 Although corporate governance practices have been around for a long time, the term was hardly used until the 1980s. The subject has gained more visibility in the 1990s in Asia with the financial crisis in 1997. Such visibility has been almost exclusively focused on bringing corporate governance in Asian companies to be in line with that in USA. US corporate governance was held up as the paragon of such systems. The recent collapse of Enron, the bankruptcy of WorldCom and the accounting scandals that have hit Corporate America have now propelled corporate governance onto the centre stage. These scandals have launched a series of actions at the legislative and corporate level in America. For us in Asia it would be wise to take note of the following:

1. Most of the causes for the current corporate scandals in USA are not due to poor corporate governance principles or systems.
2. Not all the practices and requirements of the US system are relevant to our needs. We should pause before once again falling into the notion that the American way is the best way.
3. With fragmented ownership, rules can only provide so much protection to shareholders. The character of the management and other service partners such as auditors and legal advisors become even more important.

4 High governance standards are important for all investors. It attests to the quality of the financial and other information on which investors make their decisions. Though there is some fragmentary evidence that institutional investors are prepared to pay a premium for companies which have good corporate governance, in my view the more important reason for good corporate governance is that it enables a company to produce better and more reliable results in its business. The effort to instill good governance practices should not be aimed only at better stock market performance. Stock performance should be only an incidental concern of a company. Its focus should be on tools that help its core business perform better.

5 We all recognize that there is no one standard approach to corporate governance. The approaches must be influenced by a number of factors such as the ownership structure, the stage of the development of a company and the legal protection afforded to shareholders. Some of the current practices and measures in the US are

worth nothing before I share with you Temasek's philosophy.

6 In the US, listed companies are typically characterized by the absence of large shareholders and by dispersed ownership instead. The largest shareholder in more than half of NYSE and Nasdaq-listed companies holds less than 5% of the shares. These shareholders typically have to rely on professional managers to run the companies. Thus far, a situation where the management is freed from shareholder pressures has often been seen as the ideal model and the best way to produce results. But now, many differ as the very same situation can also unwittingly allow management who have no integrity or who are obsessed with short-term price performance to take shareholders for a ride.

7 We have ample evidence of how unscrupulous managers have been allowed to run rings around the board and shareholders.

Stock Options

8 Stock options scheme as a key driver of management performance is a feature of many US companies. In start-up technology companies, stock options as the main form of payments have an important role. The case for stock options is not so persuasive with respect to established companies – what can be termed main Board companies. In the last 2-3 decades an unhealthy management culture has grown which focuses on stock price performance rather than the business of the company. As shareholders rely increasingly on stock price rather than dividend yields for their returns, the idea has grown that in order to align the interests of management with shareholders, management should also be shareholders with a deep vested interest in the stock price of the company. In the US, for various reasons (tax, accounting etc which are not relevant to the point I want to make), stock options have become the favoured way of compensating in order to align the interests of management with shareholders.

9 The fact that no shareholder approval is required for stock options issue and that no cost is attributed to stock options have also helped popularise this form of incentive.

10 Listed companies in the US are allowed to issue stock options to employees without seeking shareholders' approval if the plans are broad-based i.e. plans in which at least a majority of the participants are not officers or directors. But as we know, in light of the excesses, the New York Stock Exchange and Nasdaq are currently in the process of changing their rules to subject all stock option plans to shareholders' approval. I see this as an attempt to return to fundamentals i.e. to focus management's attention on running the underlying business.

11 Current accounting treatment for the different forms of stock options is not uniform. The granting of fixed price options with the exercise price equal to the fair market value on the date of grant does not result in an expense in the financial statements. Therefore, even though there is potentially a dilution cost to shareholders, issuing fixed price options is virtually cost free from the management's perspective.

12 As a consequence, senior executives have been granted a large number of options dominated by fixed price options. According to Standard & Poor's data, the 79% rise in the median CEO compensation from 1992 to 2000 was due to the growth in long-term incentives, mainly stock options. Stock options were 27% of median CEO compensation in 1992 compared to 60% in 2000. As the executives' personal wealth was so closely tied to their companies' share prices, not surprisingly, they had a keen interest in share prices and became very obsessed with maintaining stock market performance even in the short term.

13 At first glance, there is no question that aligning the interests of management and shareholders is the right thing to do. But it is increasingly clear that very few investors are interested in the medium and long-term growth of the companies that they invest in or in good dividend yields. They look to share price appreciation for their main returns which is entirely proper if they have a medium or long-term view. But there is increasing evidence that many investors including institutional investors and pension funds manage their investments according to stock price movements in the short term. There is clear evidence that institutional investors are decreasing their holding periods. With individuals, one study showed that the average holding period in 2001 was 11 months compared with 8 years in 1960. Another study showed that average holding period by shareholders of a blue chip US company is less than one month. With management also having an increasing part of its fortunes tied to the stock price, the obsession with short-term price movements is compounded. The temptation to dress up results to ensure that the stock continues to perform is almost irresistible.

14 Because of this short-term horizon, many investors demand information and systems that feed this requirement. One such requirement is quarterly reporting. I am dismayed that we in Singapore have decided to impose this practice on listed companies. We seem to have tilted in favour of traders in stocks rather than investors in stocks. I am not in favour of quarterly reporting not because of the cost. Any good company must have at least monthly figures of its performance. But having a system that encourages the market to set quarterly targets and that beats the stock up or down according to penny variations from the target does not seem to me to encourage investment.

15 A worst case collateral consequence of short-term measures is that it has contributed to executives adopting a short-term approach to managing corporate performance, to play the earnings game by managing market expectations. When taken to extreme proportions, management will succumb to temptations to engage in creative accounting or simply, fraudulent practices as the examples in the Enrons, Tycos and WorldComs of today show.

Lessons Learnt

16 The corporate governance crisis in Corporate America shows us that although its corporate governance system generally functions well, it is not foolproof. In fact, no amount of legislation or imposition of rules can prevent wilful fraud or impropriety. It also shows that the imbalance of power and influence between shareholders and the board of directors and management, can give rise to the opportunity for wrongdoing.

17 To help prevent similar occurrences in the future, one way, though I must stress that it is by no means the only way, is for shareholders, particularly the major shareholder if there is one, to proactively monitor the companies in which it is invested.

Role for a major shareholder – Temasek Holdings

18 Unlike in the US, the ownership structures of listed companies in some Asian countries e.g. Hong Kong, Malaysia and Singapore, are more concentrated than dispersed. Major shareholders are typically families. A public listed company with one major or controlling shareholder has its own set of problems and dangers. Minority shareholders in many family-owned companies have discovered this to their cost. The governance systems and procedures must ensure that the major shareholder influences and drives management in the interest of all shareholders. Here the character issue as it relates to the major or controlling shareholder is a key issue. An unscrupulous, dishonest controlling shareholder of a publicly listed company can be worse than unscrupulous, dishonest management.

19 In Singapore, Temasek is a major shareholder in a number of Temasek-Linked Companies (or TLCs). Formed in 1974, Temasek is a Singapore Government investment holding company. Temasek has substantial shareholdings in a number of listed companies such as Singapore Airlines, Singapore Telecommunications, SMRT Corporation, Neptune Orient Lines, Keppel Corp and SembCorp Industries as well as non-listed companies such as PSA Corporation and Singapore Power. These companies are involved in a wide range of industries ranging from transportation and logistics to finance, telecommunications, engineering, utilities and property.

20 As a major shareholder in the TLCs, Temasek firmly believes that ownership comes with the usual rights as well as a moral responsibility. The character of Temasek derives from the character of the political leadership in Singapore with the qualities of honesty, probity, meritocracy, focus on the right rather than the popular decision and transparency being the main features. Temasek has defined for itself a proactive stewardship role. Being an involved, interested and informed owner, and with enough clout, it can help prevent the types of excesses seen in the US. Over the years, it has exercised its due influence as a major shareholder over its companies in a number of different areas, namely:

1. the nomination of suitable persons for appointment as directors onto the TLC boards;
2. the establishment of employee compensation schemes (including stock options), and succession and development plans. Listed companies in Singapore require shareholders' approval for stock option plans;
3. the scrutiny of material transactions e.g. mergers and acquisitions that require shareholders' approval; and

4. the institutionalising of corporate governance and disclosure practices.

21 Temasek behaves no differently from any institutional investor ie. it seeks to maximise shareholder value. There is no divergence between Temasek's interests and those of other shareholders since its aim is to ensure that TLCs are well-managed and create value for the benefit of all shareholders. Furthermore, it also continuously strives to institutionalize good corporate governance practices in TLCs to enhance their transparency and accountability.

22 In terms of its companies' corporate governance standards, third parties' studies and awards, listed-TLCs generally have been shown to have good to outstanding corporate governance standings. Let me share with you some of the accolades received by the companies.

1. In the CLSA corporate governance ranking of Singaporean companies published in 2002, 11 out of the top 15 listed companies are TLCs;
2. At the 27th Annual Reports Award competition in 2001, Keppel Land, Singapore Airlines and ST Engineering won the top three prizes for main board listed companies; and
3. In the Standard & Poor's inaugural Transparency and Disclosure Survey published in November 2001, ST Engineering was rated as one of Singapore's companies with the highest level of corporate transparency and disclosure in Asia Pacific.

23 So far, I have spoken about why Temasek, as a major shareholder, needs to take a proactive shareholder role in driving the governance of its companies and why it can do so without reducing the wealth of other shareholders. Next, I will share with you how Temasek seeks to value add to its companies.

The Temasek Model

24 Some of you probably know that Temasek has recently released its charter. Its new mission is to build a future for Singapore through nurturing successful and vibrant international enterprises so as to help broaden and deepen Singapore's economic base.

25 Temasek's strategies are to leverage on the brands and market positions to globalise existing businesses, and from time to time, to also very selectively invest in new businesses in order to nurture new industry clusters in Singapore. As for those businesses that are no longer strategic and have no international potential, it will divest them.

26 The character, values and competence of the people who lead the company at Board and management level are the most important requirements for the success of a company. Temasek puts paramount emphasis on this.

27 In carrying out its new mission, it will work closely with the TLCs to focus on the following five areas:

1. **Values:** It will promote and maintain a strong culture of integrity, meritocracy, excellence and innovation;
2. **Focus:** It will require its companies to focus on core competence, value creation, customer fulfillment and shareholder return so as to maximize the long-term shareholder value;
3. **Human capital:** As the quality of the human capital is an important asset towards achieving the new mission, it will work with TLCs to nurture a group of internationally competitive cadre of board and management as well as outstanding employees;
4. **Sustainable growth:** To achieve this, it will support and institutionalize high standards of business leadership, financial discipline, operational excellence and corporate governance; and
5. **Strategic developments:** To build regional or international businesses, it will assist the TLCs to shape their strategic developments that include consolidations, mergers, acquisitions, rationalization or

collaborations as appropriate

28 The role played by Temasek is one of a strategic catalyst. It does not micro-manage or control the TLCs. The day-to-day management of the businesses is left to the respective companies' management and supervised by their boards.

Quality Boards are all-important

29 However, as the TLCs enter into their next phase of growth, they will all the more need quality and independent boards. To establish quality and independent TLC boards, Temasek works closely with its companies to compose effective boards. In composing effective boards, Temasek helps TLCs source widely for potential directors and ensure that there are complementary skill sets and experience to meet the diverse needs of companies. Temasek places emphasis on the importance of board independence. As at June 2002, about half of the 600 odd key directorships is held by independent directors.

Conclusion

30 I would like to conclude my speech by reiterating that there are benefits in having a major shareholder, like Temasek, to drive the governance of its investee companies. It is for this reason that when Temasek divests its companies in line with its privatization plans, it will not exit from the more significant companies without first ensuring that major reputable shareholders are put in place to drive the companies forward.

31 Thank you.

ATTACHMENT 5

Why it might be difficult for the government to withdraw from business

By Tan Boon Seng, Feb 10, 02



See Singapore Government Directory (Interactive) for more detail

Government-linked companies (GLCs) appear to be playing a bigger role in the Singapore economy than ever before. With Singapore experiencing possibly its worst economic downturn since independence, the government is re-examining its economic policies. The government's deepening and broadening involvement in private enterprise is among the policies being scrutinized by the government's Economic Review Committee. Some officials hint at a reversal of this practice but others appear to disagree.

A closer look at the issue suggests that reversing this policy is difficult. The government's withdrawal from business could hurt the employment, income and ownership interests of people closely connected to it –

1. relatives of senior government leaders.
2. former senior government officials.
3. former senior military commanders.
4. current senior government officials. and
5. current and former ruling party politicians. The outcome may also hurt the government's efforts to co-opt its politicians from the private sector.

The Policy Debate

Minister of State for Trade and Industry Raymond Lim in November said that the government might in future do less of "leading from the front". He also suggested the possibility of introducing competition law to address the dominance of GLCs. Mr Tharman Shanmugaratnam, Senior Minister of State for Trade and Industry, in December said that: "What really matters for East Asia is a shift towards open, competitive markets, and away from the state-driven industrial policies and the collusive domestic networks that have led to low returns on investment."

However, Deputy Prime Minister Brigadier-General Lee Hsien Loong, who is heading the Economic Review Committee, has clarified the extent to which the government will withdraw from business. He said GLCs would continue to be "one of the thrusts forward" for the Singapore economy. His wife, Mdm Ho Ching, who is Director of Temasek Holdings and Deputy Chairman of Singapore Technologies, has shared her dream for Singapore Technologies to become a "global champion", "to make the seemingly impossible, a reality". Mr S Dhanabalan, Chairman of Temasek Holdings, has also made it clear that the government will not withdraw from businesses it deems it to have a "strategic" interest in. Mr Dhanabalan said the government also intends to be involved in businesses of a high-risk nature. These remarks were made even before the committee's work had begun.

The Interests of People Closely Connected to the Government

1) Relatives of senior government leaders

That the government seems reluctant to withdraw from enterprise could be complicated by its potential effect on the interests of people closely connected to the government. DPM Lee and his father Senior Minister Lee Kuan Yew are at the helm of GIC, possibly Singapore's largest GLC in terms of assets. DPM Lee's wife, brother, and a few other relatives are also holding key positions in GLCs. While the situation is presumably a coincidental outcome of free market meritocracy, it could be a source of constrain as DPM Lee considers how to revive private enterprise in Singapore. The following table illustrates the situation:

Family Members	Relationship To DPM Lee	Present GLC Post
Deputy Prime Minister Lee Hsien Loong		Deputy Chairman of GIC
Mdm Ho Ching	Wife	Chairman of Chartered Semiconductor, ST Engineering, ST Capital, StarHub, Deputy Chairman of Singapore Technologies, and Director of Temasek Holdings and SembCorp Industries (Singapore Technologies unit)
Senior Minister Lee Kuan Yew	Father	Chairman of GIC
Brigadier-General Lee Hsien Yang	Brother	Chief Executive of SingTel Group and SESAMi Inc (SingTel unit), and Director of Singapore Technologies Industrial Corporation and National Computer Systems (SingTel unit)
Colonel (Dr) Kwa Soon Bee	Uncle (Mother's Brother)	Managing Director of Jurong Bird Park, Chairman of Wildlife Reserves Singapore and Director of Keppel Land
Mr Edmund Lee	Cousin (Father's Brother's Son)	Chief Executive of DBS Vickers (DBS and Singapore Technologies unit)
Mr Kwa Chong Seng	Cousin (Mother's Brother's Son)	Deputy Chairman of Temasek Holdings (Ministry of Finance unit)
Mr Ho Sing	Brother-In-Law (Wife's Brother)	Vice President of Singapore Precision Industries 2000 (Singapore Technologies unit) and Director of Advanced Materials Technologies (Singapore Technologies unit)
Mrs Lee Suet Fern	Sister-In-Law (Brother's Wife)	Director of SembCorp Logistics
Ms Lim Suet Boey	Sister-In-Law's Sister (Brother's Wife's Sister)	Senior Vice President of SembCorp Utilities

In addition to the above list of DPM Lee's relatives, there's also Dr Lim Suet Wun, his sister-in-law's brother, who is Chief Executive of Tan Tock Seng Hospital. The "restructured" hospital

remains a government department. But as one of Singapore's largest hospital, it competes with the private sector in providing health care services. DPM Lee and his father are not remunerated for their leadership of GIC. However, several of their relatives are senior managers of GLCs, who are *receiving not only salaries and bonuses but also stocks and stock options in the companies*. For example, DPM Lee's wife Mdm Ho Ching owned 60,000 Chartered Semiconductor shares, 240,000 Chartered Semiconductor share options, 35,000 ST Assembly shares, 100,000 SembCorp Industries share options, and 50,000 Singapore Food Industries shares, among other interests in GLCs as of year-end 2000. And DPM Lee's brother Brigadier-General Lee Hsien Yang owned 2,120,000 SingTel share options as of March 2001.

2) Former senior government officials

Though not an explicit policy, it has become an institution of sorts that senior government officials in Singapore move on to hold key posts in GLCs after their service in government. Former ministers in the PAP government are at least close political allies of Deputy Prime Minister Lee and his father, while former senior civil servants are trusted appointees of the government.

The following table lists a number of such people:

Former govt Official	Former Government Post	Present GLC Post
Mr Lim Kim San	Minister for Defence	Executive Chairman of Singapore Press Holdings
Mr S Dhanabalan	Minister for Foreign Affairs	Executive Chairman of DBS Group. Chairman of Temasek Holdings, Director of GIC
Dr Richard Hu	Minister for Finance	Director of GIC, Chairman of GIC Real Estate
Dr Yeo Ning Hong	Minister for Defence	Executive Chairman of PSA Corporation, Director of DBS Group and Singapore Press Holdings
Mr Lim Chee Onn	Minister without Portfolio, Prime Minister's Office	Executive Chairman of Keppel Corporation, Chairman of Keppel Capital, Keppel Land, MobileOne and Director of Temasek Holdings, k1 Ventures, Singapore Airlines, and NatSteel
Mr Goh Chee Wee	Minister of State for Trade and Industry	Group Managing Director and Chief Executive of Comfort Group, Deputy Chairman of NTUC Fairprice Cooperative, Comfort Transportation, Comfort Automotive Services, VICOM Nominee Investment, VICOM Inspection Centre, Comfort Properties, Deputy Chairman and Chief Executive of VICOM, and Chairman of NTUC Media, VICOM Assessment Centre, Eurocom Motors, ComTrucks, Barcelona Motors, Sinamex Car Rental and Leasing, Comfort Driving Centre, Comfort

		Courier Services, Suzhou Comfort Taxi, Xiamen Comfort Taxi, Zhengzhou Comfort Tour Bus Service, Comfort Nominees, Comfort Group Investments, Comfort Myanmar, Comfort Diesel
Mr Bernard Chen Tien Lap	Minister of State for Defence	Corporate Adviser to Singapore Technologies and Director of DBS Group
Dr Ker Sin Tze	Minister of State for Education	Managing Director of Dragon Land (Keppel Land unit)
Mr Ho Kah Leong	Senior Parliamentary Secretary for Education	Director of Comfort Group (Singapore Labour Foundation unit)
Mr Sam Chong Keen	Political Secretary for Education	Chairman of NTUC Denticare Cooperative (Singapore Labour Foundation unit)
Dr Wee Kim Wee	President of Singapore	Director of The Ascott Group (CapitaLand unit)
Mr Lee Ek Tieng	Head of Civil Service and Permanent Secretary for Prime Minister's Office	Group Managing Director of GIC and Director of GIC Special Investments, GIC Real Estate and Singapore Press Holdings
Mr J Y Pillay	Permanent Secretary for Defence	Executive Chairman of Singapore Exchange
Mr Philip Yeo	Permanent Secretary for Defence	Chairman of CapitaLand (Singapore Technologies unit)
✓ Mr Teo Ming Kian	Permanent Secretary for Defence	Chairman of Singapore Technologies, and Director of PSA Corporation, TIF Ventures and T21 Holdings
Mr Tjong Yik Min	Permanent Secretary for Communications	President and Director of Singapore Press Holdings
Mr Er Kwong Wah	Permanent Secretary for Education	Director of SembCorp Marine and Jurong Engineering (SembCorp unit)
Mr Lum Choong Wah	Permanent Secretary for Home Affairs	Deputy Chairman and Executive Director of SAFE Superstore Holdings (SembCorp unit)
Mr Herman Hochstadt	Permanent Secretary for Law	Chairman of ECICS Holdings (Temasek Holdings unit)
Mr Cheong Quee Wah	Permanent Secretary for Defence	President of SembCorp Waste Management and Director of Singapore Aerospace Manufacturing (Singapore Technologies unit)
Mr Alphonsus Tan Chok Kian	Permanent Secretary for Finance	Chairman of Keppel Communications, Director of Keppel FELS Energy and Infrastructure
Mr Ngiam Tong Dow	Permanent Secretary for Finance	Director of Singapore Press Holdings and SLF Leisure Enterprises
Mr Sim Kee Boon	Permanent Secretary for Finance	Senior Advisor to Keppel Corporation, Director of Temasek Holdings and PSA Corporation

Dr Han Cheng Fong	Permanent Secretary for Labour	Director of Vision Century Corporation (JTC unit)
Mr Goh Kim Leong	Permanent Secretary of Ministry of Law	Executive Director of SembCorp Industries (Singapore Technologies unit)
Mr Wong Hung Khim	Permanent Secretary for Community Development	Chairman and Chief Executive of Delgro Corporation, Chairman of SBS Transit, and Deputy Chairman of Singapore Telecom
Mr Chee Keng Soon	Auditor-General	Chairman of Jurong Engineering, and Director of SembCorp Marine
Mr Liew Mun Leong	Chief Executive of SISIR	Chief Executive of CapitaLand and Deputy Chairman of Raffles Holdings and The Ascott Group
Mr Stephen Yeo Siew Chye	Chief Executive of National Computer Board	President and Chief Executive of Singapore Computer Systems (Singapore Technologies unit)
Mr Lim Jit Poh	Chief Executive of National Productivity Board	Chairman of Comfort Group and VICOM, and Director of International Factors, Delgro Corporation, and The Ascott Group
Mr Alan Choe	General Manager of Urban Redevelopment Authority	Director of Keppel Land
Mr Khoo Teng Chye	Chief Executive of Urban Redevelopment Authority	Group President of PSA Corporation, Chairman of Changi International Airport Services (PSA unit), and Director of Keppel Corporation
Mr Barry Desker	Chief Executive of Trade Development Board	Chairman of ST Marine and Singapore Network Services, and Director of Singapore Airport Terminal Services and SembCorp Logistics
Mr Lim Hock San	Director-General of Civil Aviation Authority of Singapore	Director of Keppel Corporation and Advanced Materials Technologies (Singapore Technologies unit)
Mr Ng Kiat Chong	Chief Executive of National Productivity Board	Director of Keppel T&T
Mr Liu Thai Ker	Chief Executive of Urban Redevelopment Authority	Director of Singapore Offshore Petroleum Services (SembCorp unit)
Mr Bertie Cheng	Controller and Chief Executive of Post Office and Savings Bank	Director of Singapore Petroleum Company (Keppel unit) and Singapore Technologies Aerospace
Mr Michael Yap	Chief Executive of National Computer Board	Chief Executive of Commerce Exchange (IDA and Venture TDF unit) and Director of NTUC Link

Mr Lee Yong Siang	Chief Executive of Public Utilities Board	Director of Keppel Hitachi Zosen
Dr Judy Lim	Chief Executive of Tan Tock Seng Hospital and National University Hospital	Director of Pacific Internet (Singapore Technologies unit)
Mr Goh Yong Hong	Commissioner of Police	Executive Deputy Chairman of Singapore Turf Club, Chairman of Singapore Pools, Director of Dragon Land and PREMAS International (CapitaLand Unit)
Ms Low Sin Leng	Deputy Secretary for Trade and Industry	Chief Operating Officer and Chief Financial Officer of SembCorp Industries, President and Director of Singapore Technologies Industrial Corporation, Director of Pacific Internet, Pacfusion.com, Singapore Computer Systems, STIC Investments, Singapore Mint, SembCorp SITA, Singapore-Suzhou Township Development, Sembawang Corporation, Sembawang Industrial, Bintan Resort Ferries, Bintan Lagoon Resort, Chairman of SembCorp Parks Holdings, SembCorp Energy, Singapore-Wuxi Investment Holdings and SembCorp Parks Management, and Deputy Chairman of SembCorp Utilities
Mr Lim Ming Seong	Deputy Secretary for Defence	Group Director of Singapore Technologies, Deputy Chairman of ST Assembly and Chartered Semiconductor, and Chairman of CSE Systems and Engineering (Singapore Technologies unit)
Mr Lim Chuan Poh	Deputy Secretary for Communications	Executive Vice President of Singapore Telecom and Director of FailSafe Corporation (SingTel unit)
Mr Lai Seck Khui	Deputy Secretary for Trade and Industry	Deputy Chairman of Vision Century Corporation (JTC unit)
Mr Lim Ho Kee	Deputy Managing Director of Monetary Authority of Singapore	Director of Keppel Land, Keppel Capital Holdings, and Singapore Post (SingTel unit)
Dr Teh Kok Peng	Deputy Managing Director of Monetary Authority of Singapore	President and Director of GIC Special Investments
Mr Koh Beng Seng	Deputy Managing Director of Monetary Authority of	Director of ST Assembly and Testing Services and Chartered Semiconductor

	Singapore	
Ms Leong Wai Leng	Deputy Chief Executive of SISIR	Deputy Chief Executive of Raffles Holdings (CapitaLand unit)
Mr Michael Khor Teik Hean	Deputy Chief Executive of Public Utilities Board	Director of SembCorp Energy and SembCorp Utilities
Dr N Varaprasad	Deputy President of National University of Singapore	Director of SIA Engineering
Lieutenant-Colonel Tan Kian Chew	Principal Private Secretary to the Deputy Prime Minister	Chief Executive of NTUC Fairprice Cooperative, Director of NTUC Healthcare Cooperative
Mr Phua Tin How	Principal Private Secretary to the President of Singapore	President of SBS Transit and Director of SLF International, China-Singapore Industrial Park Development and Transit Link
Mr Seah Kian Peng	Acting Principal Private Secretary to the Deputy Prime Minister	Managing Director of NTUC Healthcare Cooperative, Chief Executive of NTUC Media Cooperative, and Director of Singapore Telecom
Mr S Iswaran	Director of Ministry of Trade and Industry	Senior Vice President of Temasek Holdings
Mr Peter Tay Buan Huat	Director of Ministry of Defence	President of Singapore Food Industries and Director of ST Primary
Mr Wu Tzu Chien	Director of Ministry of Defence	President of ST Kinetics
Mr Koh Soo Keong	Director of Ministry of Defence	President of SembCorp Logistics and ST Logistics, and Chairman of Sembawang Kimtrans and Singapore Offshore Petroleum Services
Mr Ng Kok Song	Executive Director of Monetary Authority of Singapore	Managing Director of GIC and Director of ECICS Holdings
Ms Audrey Lee	Executive Director of InfoComm Development Authority	Executive Director of StarHub (ST Telemedia unit)
Mr Khor Poh Hwa	Director of Public Works Department	Chief Executive of PWD Corporation and Director of Keppel Land
Mr Ng Pock Too	Director of Economic Development Board	Chairman of NTUC Income Insurance Cooperative
Mr Lim Leong Geok	Executive Director of Public Works Department	Director of Keppel Land
Mr Tan Eng Bock	Director of Police Force	Director of Teledata (Intraco unit)

Mr Tan Kit Jong	Director of National Science and Technology Board	Acting Chief Executive and Director of TIF Ventures (EDB unit)
Mr David Lim	Director of National Science and Technology Board	Director of TIF Ventures
Mr Freddy Orchard	Executive Director of Monetary Authority of Singapore	Advisor of GIC
Mr Goh Tien Jin	Executive Director of JTC Corporation	Executive Vice President and Chief Information Officer of Ascendas, Chief Executive of JTCi Development and JTCi Consultancy, Chairman of Xinsu Industrial Development, and Director of Vision Century Corporation
Ms Chua Soh Kheng	Director of Institute of Productivity Training, Productivity and Standards Board	Senior Vice President and Director of PSB Academy (PSB unit)
Mr Low Huan Ping	Division Head of Ministry of Defence	Executive Vice President of Singapore Press Holdings, Director of Singapore Cable Vision and MobileOne (SPH unit)
Mr Lee Kwok Cheong	Division Head of National Computer Board	Chief Executive of National Computer Systems and Director of SESAMi Inc (SingTel unit)
Mr Anthony Seah	Division Head of SISIR	Chief Executive of PREMAS International (CapitaLand unit)
Dr Chia Boon Tat	Division Head of Defence Science Organisation	Chief Executive of Keppel Communications and Director of Keppel T&T
Mr Kwa Kim Chiong	Division Head of Defence Science Organisation	Chief Executive of JustLogin.com (Singapore Technologies unit) and former Deputy General Manager and Director of Singapore Engineering Software
Mr Liu Shih Shin	Division Head of Economic Development Board	Director of Singapore Food Industries
Mr Wong Lin Hong	Division Head of Economic Development Board	Managing Director of Temasek Capital and Director of Teledata (Intraco unit)
Mr Billy Lee	Division Head of Economic Development Board	Director of SembCorp Logistics
Mr Ng Yoke Weng	Division Head of Systems and Computer Organisation	Chief Information Officer of Singapore Telecom, Director of FailSafe Corporation (SingTel unit)
Mr Han Wee	Chief Quantity	Vice President (Quantity Surveying) of

Kwang	Surveyor of Public Works Department	PWD Consultants
Mr Peter Chia	Department Head of Post Office Savings Bank	Executive Vice President and Division Head of Singapore Exchange
Mr Saw Ken Wye	Assistant Chief Executive of National Computer Board	Director of Abecha (JTC unit)
Mr Chua Tiow Chye	Senior General Manager of JTC Corporation	Executive Vice President of Ascendas, Managing Director of Vision Century Corporation, Director of Singapore Suzhou Industrial Holdings, RBF Development Corporation, Information Technology Park
Mr Henry Heng	General Manager of Productivity and Standards Board	Chief Executive of PSB Corporation
Dr Steve Lai	General Manager of Productivity and Standards Board	Deputy Chief Executive of PSB Corporation
Ms Poh Mui Hoon	General Manager of National Computer Board	President of SESAMi Inc and Director of Abecha (JTC Corporation unit)
Mr Lee Kheng Nam	Deputy Director of Ministry of National Development	President of Vertex Venture Holdings (Singapore Technologies unit) and Director of Silicon Illusions (Singapore Technologies unit)
Mr Lee Cheok Yew	Deputy Director of Ministry of Trade and Industry	Chief Executive of SPH MediaWorks
Ms Cheo Hock Kuan	Deputy Director of Prime Minister's Office	Executive Director of Singapore Technologies, Chief Executive of Embrace (Singapore Technologies unit), and Director of Singapore Technologies Semiconductors
Mr Teng Cheong Kwee	Deputy Director of Monetary Authority of Singapore	Director of ST Assembly Test Services
Mr Wu Tek Ming	Deputy Divisional Director of Productivity and Standards Board	Chief Executive of PSB Certification
Mr Ang Swee Tian	Deputy Insurance Commissioner of Monetary Authority of Singapore	President of Singapore Exchange
Mr Lim Geok Hwee	Deputy Director of NTUC	Chief Executive of NTUC Choice Homes and SLF Management Services
Mr Quek Keng	Regional Director of	Group General Manager of Pacific

Ngak	Economic <i>Development Board</i>	Internet, Director of AIH and Information <i>Frontiers (SembCorp unit)</i>
Mrs Christina Lim	Senior Assistant Director of Ministry of Foreign Affairs	Senior Vice President of Vertex Management (Singapore Technologies unit)
Mr Lau Yin Cheng	Assistant Divisional Director of Ministry of Labour	Vice President of SembCorp Logistics
Mr Patrick Daniel	Assistant Director of Ministry of Home Affairs	Editor of Business Times (SPH unit)
Ms Chua Lee Hoong	Assistant Director of Ministry of Home Affairs	Senior Political Correspondent of Straits Times (SPH unit)
Mr Seah Moon Ming	Assistant Director of Defence Materials Organisation	President of ST Electronics and Chairman of ST LogiTrack and mPayment (Singapore Technologies unit)
Mr Benett Theseira	Assistant Commissioner of Lands	Chief Investment Officer of The Ascott Group (CapitaLand unit)
Mr Lim Hung Siang	Higher Executive Engineer in the Anti- Pollution Unit of the Prime Minister's Office	Chief Executive of CityCab (Delgro and Singapore Technologies unit) and DelGro Engineering
Dr Lee Tsao Yuan	Senior Lecturer in National University of Singapore	Director of Keppel FELS Energy and Infrastructure, Pacific Internet, Keppel Capital
Dr Steven Choo	Senior Lecturer and Centre Director of National University of Singapore	Senior Vice President of CapitaLand
Mr Wong Toon King	Senior Planner of National Computer Board	Director of Raffles Holdings (CapitaLand unit)

As with any business, state-controlled or otherwise, there is a tendency for managers at the top to appoint people whom they have shared a common past with. Since many past and present officials lead GLCs, these people tend to appoint other past or present officials to key positions in the GLCs. For example, Mr Liew Mun Leong was Chief Executive of SISIR from 1988 to 1992 when Mdm Ho Ching served as a Member of the SISIR Board. He is now Chief Executive of CapitaLand, the property arm of Singapore Technologies. Ms Leong Wai Leng was Deputy Chief Executive of SISIR from 1990 to 1993. She is now Deputy Chief Executive of Raffles Holdings, the hotel arm of Singapore Technologies. Mr Anthony Seah was a Division Head of SISIR from 1988 to 1991. He is now Chief Executive of PREMAS International, the property management arm of Singapore Technologies. Colonel Tham Kui Seng was General Manager of a SISIR subsidiary from 1991. He is now Chief Executive of CapitaLand Residential. Given the perceived shortage of talent in Singapore, Colonel Tham's experience as the Army's logistics chief is presumably valuable in efforts to develop "premier, high quality" homes around the world. Colonel Kee Teck Koon was Director of SISIR from 1991 to 1993. He is now Chief Executive of The Ascott Group, the

serviced residence arm of Singapore Technologies. With nine years in the Armed Forces behind him, Colonel Kee leads "Asia Pacific's largest serviced residence company", building a "luxury brand that projects an elegant, meticulous lifestyle that appeals to top executives" and offering "the ultimate refinement in served accommodation". Lieutenant-Colonel Ed Ng was General Manager of a SISIR subsidiary from 1990 to 1991. He is now Executive Vice President of CapitaLand.

If the government withdraws from business, a prestigious and lucrative destination for senior government officials would be taken away. Senior managers of GLCs are compensated at globally competitive levels. Many of them are also shareholders of the GLCs they manage. Non-executive directors are paid regular director's fees and are even given stock options, which can be substantial. The stipends are not pittance. They may lose out if the government gives up ownership of GLCs.

3) Former senior military commanders

DPM Lee, his wife, and his brother established their careers in the Ministry of Defence. DPM Lee was with the Armed Forces for 13 years, rising to Chief of Staff General Staff (Deputy Army Chief) before becoming a politician. His wife Mdm Ho Ching, whom he got to know in the Ministry of Defence, was with the Ministry for 10 years, rising to senior positions in Defence Science Organisation and Defence Materials Organisation before joining Singapore Technologies. His brother, Brigadier-General Lee Hsien Yang was with the Armed Forces for 15 years, rising to Director of Joint Operations and Planning Directorate before joining Singapore Telecom. The following table lists a number of their colleagues in the Ministry of Defence who have also moved on to GLCs or are holding key appointments in GLCs:

Former Military Official	Former Military Post	Present GLC Post
Lieutenant-General Bey Soo Khiang	Chief of Defence Force	Executive Vice President of Singapore Airlines and Director of SIA Engineering
Lieutenant-General Ng Jui Ping	Chief of Defence Force	Director of NTUC Income Insurance Cooperative
Lieutenant-General Winston Choo	Chief of Defence Force	Director of Australand Holdings (CapitaLand unit), Keppel FELS Energy and Infrastructure, and Keppel Capital
Major-General Lim Neo Chian	Chief of Army	Deputy Chairman of ST Engineering, ST Marine, ST Aerospace, ST Electronics, and ST Kinetics, and Chairman of ST Kinetics
Major-General Raymund Ng Teck Heng	Chief of Air Force	Senior Vice President of Singapore Airlines
Brigadier-General Wesley D'Aranjo	Deputy Secretary for Defence	Director of Singapore Zoological Gardens
Brigadier-General Boey Tak Hap	Chief of Army	Chief Executive of Singapore Mass Rapid Transit
Rear-Admiral Kwek Siew Jin	Chief of Navy	Chief Executive of Singapore Power
Brigadier-General Michael Teo	Chief of Air Force	Director of Singapore Aerospace Industries
Brigadier-General Gary Yeo	Director of Joint Intelligence Directorate	Deputy President of ST Aerospace, Chairman of ST Aerospace Systems, ST

		Aerospace Supplies, ST Perth Aerospace Engineering, and VisionTech Engineering
Brigadier-General Lee Fook Sun	Director of Joint Intelligence Directorate	President of ST Electronics
Rear-Admiral Larry Loon	Chief of Staff in the Navy	President of ST Marine
Brigadier-General Patrick Choy	Division Commander	Executive Vice President (Marketing) of ST Engineering, Senior Vice President and Director of ST Kinetics
Brigadier-General Andrew Tan	Division Commander	Senior Vice President of ST Kinetics
Brigadier-General Chin Chow Yoon	Commandant of SAFTI Military Institute	Chief Executive of Bintan Resort Management, Chairman of Bintan Resort Development Corporation (Singapore Technologies unit)
Brigadier-General Low Yee Kah	Senior Officer in the Armed Forces	Senior Vice President of ST Engineering, General Manager of Unicorn International
Colonel Lau Kee Siong	Assistant Chief of General Staff	Managing Director of Embrace (Singapore Technologies unit)
Colonel Michael Low	Assistant Chief of General Staff	Chief Operating Officer of DataOne Asia and Managing Director of DataOne Singapore (Keppel unit)
Colonel Lee Wai Mun	Assistant Chief of General Staff	President of ST Synthesis
Colonel Tham Kui Seng	Assistant Chief of General Staff	Chief Executive of CapitaLand Residential, Chairman of Australand Holdings, and Director of Raffles Holdings
Colonel Ng Eng Ho	Chief Signal Officer	Chief Executive Keppel T&T, Director of Keppel Communications, Keppel Telecoms, and MobileOne (Keppel and SPH unit)
Colonel Foo Jong Ai	Chief Signal Officer and Director of InfoComm Development Authority	Chief Executive of Netrust (Keppel unit) and Chairman of 1-Net (MediaCorp unit)
Colonel Quek Poh Huat	Senior Officer in the Armed Forces and Chairman of SISIR	President of Temasek Holdings, Executive Director of Singapore Power, and Director of Singapore Telecoms
Colonel Kee Teck Koon	Director of SISIR and National Science and Technology Board	Chief Executive and Director of The Ascott Group (CapitaLand unit)
Colonel Tay Kok Khiang	Head of Air Logistics in the Air Force	Deputy President and Chief Operating Officer of ST Aerospace, Chairman of STA Engines, STA Systems, Aerospace Engineering Services, Singapore Precision Repair and Overhaul, STA International Structures, and Deputy Chairman of Singapore Technologies

		Training and Simulation
Colonel Tan Nga Kok	Division Commander	Vice President and Executive Director of ST Engineering
Colonel Poon Choon Liang	Chief Supply and Transport Officer	General Manager of Singapore Food Industries
Colonel Quek Koh Eng	Senior Officer in the Army	Executive Director of Chartered Ammunition Industries (Singapore Technologies unit)
Colonel Goh Chee Kong	Commander of Officer Cadet School	Executive Director of SMRT Corporation
Colonel Tan Hong Huat	Senior Officer in the Armed Forces	Senior Vice President of SembCorp Industries and Director of Sembawang Kimtrans
Colonel Chua Tiong Guan	Senior Officer in the Armed Forces	Managing Director of ECO Industrial Environmental Engineering (JTC and Singapore Power unit)
Lieutenant-Colonel Ed Ng	Brigade Commander	Executive Vice President of CapitaLand and Director of Raffles Holdings
Lieutenant-Colonel Tay Siew Choon	Commanding Officer	Managing Director and Chief Operating Officer of Singapore Technologies, Chairman of Singapore Computer Systems, Green Dot Internet Services, NexGen Financial Holdings, Asia Business Venture Holdings, SNP Corporation, KRDL Holdings, Vertex Management and Vertex Ventures, Deputy Chairman and Chief Executive of Green Dot Capital, Deputy Chairman of Vertex Venture Holdings, Director of Singapore Technologies Telemedia, SembCorp Industries, PSA Corporation, Chartered Semiconductor, ST Telemedia
Lieutenant-Colonel Teo Kian Bin	Deputy Head of Joint Plans	Chief Executive of Netrust (Keppel unit)
Lieutenant-Colonel Fong Choon Khin	Senior Officer in the Armed Forces	Vice President and Chief Information Officer of MediaCorp Singapore
Lieutenant-Colonel Chang Cheow Teck	Senior Officer in the Air Force	President of VT Systems and ST Engineering
Lieutenant-Colonel Yoon Kam Choon	Senior Officer in the Navy and Administrative Officer	Chief Executive of TradeOne (Keppel unit)
Lieutenant-Colonel Chong San Chew	Senior Officer in the Armed Forces	Group Corporate Planning and Business Development Manager of Comfort Group, Director of Comfort Courier Services, ComTrucks, Barcelona Motors, Comfort Myanmar
Lieutenant-Colonel Tang Kok Fai	Senior Officer in the Armed Forces	Executive Director of SembCorp Industries
Lieutenant-Colonel Chua Hwee Song	Senior Officer in the Armed Forces and	Deputy Director of TIF Ventures (EDB unit)

Deputy Director of National Science and Technology Board
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The proprietary interests of certain former senior military officials are not insignificant. For example, Colonel Quek Poh Huat, President of Temasek Holdings, owned 823,228 ST Engineering shares and 36,890 SembCorp Industries shares, among other interest in GLCs as of March 2001. Lieutenant-Colonel Tay Siew Choon, Chief Operating Officer of Singapore Technologies, owned 54,598 SembCorp Industries shares, 1,479,578 SembCorp Industries options, 171,000 Singapore Computer Systems shares, 80,000 Singapore Computer Systems options, 270,000 Singapore Food Industries shares, 400,000 Singapore Food Industries options, 53,850 CapitaLand options, and 100,000 STT Communications options, among other interests in GLCs as of year-end 2000.

The policy of early retirement for senior military men enables them to offer their innate and acquired abilities to GLCs. Former Commandant of SAFTI Military Institute, Brigadier-General Chin Chow Yoon, who is now Chief Executive of Bintan Resort Management, brings with him a lifelong experience of overseeing living environments such as the Officer Cadet School and leisure establishments such as the Singapore Discovery Centre. Colonel Goh Chee Kong, Director of Corporate Communications for SMRT Corporation, can draw on his experience talking to officer cadets and their trainers, as he was previously Commander of Officer Cadet School.

4) Current senior government officials

Senior government officials are holding key appointments in GLCs while still in government. Some of them receive not just directors' fees but also stock options. For example, Lieutenant-Colonel Boon Swan Foo, Managing Director of Agency for Science, Technology and Research, owned 224,433 ST Engineering shares, 2,005,000 ST Engineering share options, 28,800 Chartered Semiconductor shares, 14,250 ST Assembly share options, and 53,850 CapitaLand share options among other interests as of year-end 2000. Colonel (Prof) Lui Pao Chuen, Chief Defence Scientist of Ministry of Defence, owned 161,444 ST Engineering shares and 12,950 SembCorp Industries shares, among other interests as of year-end 2000. Mr Liow Voon Kheong, Assistant Managing Director of Economic Development Board, owned 80,000 stock options in Chartered Semiconductor as of year-end 2000.

The following table lists a number of officials who are at the same time directors of GLCs:

Government Official	Present Government Post	Present GLC Post
Dr Tony Tan	Deputy Prime Minister and Minister for Defence	Director of GIC, and Chairman of GIC Special Investments
Lieutenant-Colonel Lim Hng Kiang	Minister for Health and 2 nd Minister for Finance	Director of GIC and GIC Real Estate
Mr Lim Boon Heng	Minister without Portfolio, Prime Minister's Office	Director of Singapore Airlines
Mr Matthias Yao	Senior Minister of State in Prime Minister's Office	Deputy Chairman of NTUC Income Insurance Cooperative
Mr Hawazi Daipi	Parliamentary Secretary for Education	Director of PSA Corporation
Mr Lim Siong Guan	Head of Civil Service, and	Deputy Chairman of Temasek

	Permanent Secretary for Finance and Prime Minister's Office	Holdings
Mr Eddie Teo	Permanent Secretary for Prime Minister's Office	Director of ST Engineering and Chairman of ST Kinetics
Mr Tan Guong Ching	Permanent Secretary for Home Affairs	Chairman of ST Telemedia and ST Marine, and Director of ST Engineering
Mr Heng Swee Keat	Permanent Secretary for Trade and Industry	Director of Singapore Food Industries (SembCorp unit)
Brigadier-General Tan Chin Tiong	Permanent Secretary for Foreign Affairs	Director of ECICS Holdings (Temasek Holdings unit)
Mr Liew Heng San	Permanent Secretary for Law	Director of Raffles City, Raffles City Hotel (CapitaLand unit) and NTUC Income
Mr Lam Chuan Leong	Permanent Secretary for National Development	Director of SembCorp Industries
Mr Moses Lee	Permanent Secretary for Health	Director of DBS Group and Singapore Airlines
Mr Alan Chan Heng Loon	Permanent Secretary for Transport	Director of DBS Group and PSA Corporation
Mr Peter Ong	2 nd Permanent Secretary for Defence	Director of Singapore Technologies and ST Engineering, and former Executive Vice President of Temasek Holdings
Prof Tommy Koh	Ambassador-At-Large	Director of DBS Group
Mr Ko Kheng Hwa	Managing Director of Economic Development Board	Chairman of Pacific Internet, Deputy Chairman of JTC International, and Director of Singapore Leisure Industries and JTC Corporation
Lieutenant-Colonel Boon Swan Foo	Managing Director of Agency for Science, Technology and Research (formerly National Science and Technology Board)	Director of NTUC Income Insurance Cooperative, and Advisor to CEO of ST Engineering
Brigadier-General Tan Yong Soon	Chief Executive of Urban Redevelopment Authority	Director of SMRT Corporation and SilkAir
Mr Tan Gee Paw	Chairman and Chief Executive of Public Utilities Board	Director of Sembawang Construction
Prof Su Guaning	Chief Executive of Defence Science and Technology Agency	Director of Singapore Technologies Holdings and Singapore Cable Vision (MediaCorp, Singapore Technologies, and SPH unit)
Lieutenant-Colonel Chong Lit Cheong	Chief Executive of JTC Corporation	Director of Singapore Science Park, Venture TDR, Singapore

		Leisure Industries, Jurong Port, Ascendas, Abecha and JTC Consultancy Services
Dr Ngiam Tong Tau	Chief Executive of Agri-Food and Veterinary Authority	Deputy Chairman of Singapore Food Industries, and Director of NTUC Fairprice Cooperative
Mr Tan Kee Yong	Chief Executive of Singapore Land Authority	Director of SAFE Enterprises and SNP Corporation (Singapore Technologies unit)
Dr Cham Tao Soon	President of Nanyang Technological University	Chairman of NatSteel, Director of Keppel Corporation
Dr Jennifer Lee	Chief Executive of KK Women's and Children's Hospital	Director of PSA Corporation
Mr Tan Tee How	Chief Executive of National Healthcare Group	Director of SembCorp Logistics and Chairman of Power Seraya
Ms Nancy Teo	Chief Executive of Singapore Labour Foundation	Director of Comfort Group, Pasir Ris Resort, SLF Leisure Enterprises, SLF Management Services, SLF Properties, SLF Investments, and VICOM
Mr John de Payva	President of NTUC	Director of SBS Transit
Brigadier-General Lam Joon Khoi	Deputy Secretary for Finance	Director of ST Aerospace and SembCorp Engineering
Dr Tan Kim Siew	Deputy Secretary for Finance	Director of Keppel FELS Energy and Infrastructure
Rear Admiral Richard Lim	Deputy Secretary for Defence	Director of Singapore Technologies Holdings
Mr Lee Chiong Giam	Deputy Secretary for Foreign Affairs	Director of NTUC Radio Heart
Mr Jaspal Singh	Deputy Secretary for Transport	Director of Singapore Telecom
Mr Gong Wee Lik	Deputy Managing Director of Economic Development Board	Director of SembCorp Utilities
Ms Chong Siak Ching	Deputy Chief Executive of JTC Corporation	President and Chief Executive of Ascendas (JTC unit), Deputy Chairman of Vision Century Corporation (Ascendas unit)
Mr Liow Voon Kheong	Assistant Managing Director of Economic Development Board and General Manager of EDB Investments and EDB Ventures	Director of ST Assembly and Testing Services and Chartered Semiconductor
Dr Kaizad Heerjee	Assistant Chief Executive of InfoComm Development	Director of Commerce Exchange (IDA and Venture

	Authority	TDF unit)
Mr Goh Oon Tong	Senior Director of Trade Development Board	Director of Ascendas (JTC unit)
Mr Benny Lim	Director of Internal Security Department	Director of SembCorp Utilities
Dr Loh Wah Sing	Divisional Director of Productivity and Standards Board	Director of Novo Environment Technology Services (PSB unit)
Lieutenant-Colonel Goh Kok Huat	Executive Director of JTC Corporation	Chief Executive of Ascendas Land Singapore and Executive Vice President of Ascendas (formerly Arcasia Land and JTC International)
Brigadier-General Jimmy Khoo	Director of Ministry of Defence and Defence Science and Technology Agency	Director of Singapore Technologies Aerospace Engineering
Colonel (Prof) Lui Pao Chuen	Chief Defence Scientist of Ministry of Defence	Chairman of Singapore Technologies Dynamics, JTC Consultancy Services and Director of ST Engineering
Lieutenant-General Lim Chuan Poh	Chief of Defence Force	Director of Singapore Telecom and ST Engineering
Brigadier-General Rocky Lim Kim Choon	Chief of Air Force	Director of Singapore Aerospace Manufacturing (Singapore Technologies unit)
Major-General Ng Yat Chung	Chief of Army	Director of PSA Corporation, ST Aerospace Supplies, and ST Kinetics
Mr Khoo Boon Hui	Commissioner of Police	Director of Ascendas
Prof Bernard Tan	Dean of Students in National University of Singapore	Director of Keppel Corporation, Chairman of Keppel Group Cooperative Credit Union and Keppel Hitachi Zosen
Prof Chen Charng Ning	Senior Director of Nanyang Technological University	Director of SembCorp Utilities
Dr Tan Tin Wee	Associate Professor and Centre Director of National University of Singapore	Director of Keppel T&T
Prof Wee Chow Hou	Dean of Business Administration in National University of Singapore	Director of Neptune Orient Lines and SembCorp Logistics
Dr Phua Kai Hong	Associate Professor of National University of Singapore	Director of NTUC Healthcare Cooperative
Mr Lai Yeow Hin	Chief Information Officer and Deputy Director of Economic Development Board	Director of ST Assembly Testing Services
Mr Tay Kim Poh	Chief Estate Administration and Property Officer of	Director of NTUC Fairprice Cooperative

	Housing and Development Board	
Dr Lee Seng Teik	Consultant Neurosurgeon of Singapore General Hospital	Director of NTUC Healthcare Cooperative

5) Current and former ruling party politicians

The situation could be further complicated by present PAP MPs holding key posts in GLCs. The non-executive directors receive not just directors' fees but may also have shares and share options in the GLCs they direct. For example, Mr K Shanmugam, MP for Sembawang GRC, owned 70,000 SembCorp Industries share options and 30,000 Chartered Semiconductor shares, among other interests in GLCs as of year-end 2000.

The following table lists non-ministerial MPs holding senior management and directorship positions in GLCs:

PAP MP	Constituency	Present GLC Post
Mr Cedric Foo	West Coast GRC	Senior Vice President of Singapore Airlines
Mr Charles Chong	Pasir Ris-Punggol GRC	Senior Executive of Singapore Airlines
Mr Chay Wai Chuen	Tanjong Pagar GRC	General Manager of NTUC Fairprice Cooperative, Director of NTUC Choice Homes Cooperative and NTUC Radio Heart
Mr Chew Heng Ching	East Coast GRC	Director of Dragon Land (Keppel Land unit)
Mr Davinder Singh	Bishan-Toa Payoh GRC	Director of Singapore Technologies and Singapore Airlines
Mr Gan Kim Yong	Holland-Bukit Panjang GRC	Executive Vice President of NatSteel, Chief Executive of NatSteel Properties and NatSteel Resorts
Mdm Halimah Yacob	Jurong GRC	Director of NTUC Thrift and Loan Cooperative and NTUC Healthcare Cooperative
Ms Ho Geok Choo	West Coast GRC	Vice President of SIA Engineering
Ms Irene Ng	Tampines GRC	Senior Manager of Singapore Press Holdings
Mr K Shanmugam	Sembawang GRC	Director of SembCorp Industries
Mrs Lim Hwee Hua	Marine Parade GRC	Managing Director of Temasek Holdings, Director of NTUC Income Insurance Cooperative and Senoko Power
Mr Loh Meng See	Jalan Besar GRC	Senior Vice President of Singapore Airlines
Dr Michael Lim	Pasir Ris-Punggol GRC	Deputy Chairman of NTUC Childcare Cooperative
Mr Ong Ah Heng	Nee Soon Central	Director of Comfort Group and Singapore Post (SingTel unit)
Mr Sinnakaruppan s/o C	Kreta Ayer-Tanglin	Director of SLF Leisure Enterprises and

Ramasamy	GRC	Family Leisure and former
Mr Wee Siew Kim	Ang Mo Kio GRC	President of ST Engineering
Dr Wang Kai Yuen	Bukit Timah	Director of Comfort Group, Comfort Transportation, Comfort Automotive Services
Mr Yeo Guat Kwang	Aljunied GRC	Director of NTUC Club Investment
Mrs Yu-Foo Yee Shoon	Jurong GRC	Deputy Chairman of NTUC Income Insurance Cooperative

Former PAP MPs also fill key posts in GLCs. The following table illustrates this situation:

Former PAP MP	Constituency	Present GLC Posts
Mr Kenneth Chen	Hong Kah GRC	Director of Dragon Land (Keppel Land Unit)
Mr Chandra Das	Cheng San GRC	Chairman of NTUC Fairprice Cooperative and Director of The Ascott Group
Mr Chng Hee Kok	East Coast GRC	Chief Executive of NTUC Thrift and Loan Cooperative and NTUC Club
Dr Chau Sik Ting	Thomson	Director of Jurong Engineering
Mr Chin Harn Tong	Aljunied	Director of SBS Transit
Mr Goh Choon Kang	Marine Parade GRC	Division Head of Singapore Press Holdings
Dr Hong Hai	Bedok	Director of Singapore Airport Terminal Services (SIA unit)
Mr Lew Syn Pau	Kreta Ayer-Tanglin GRC	Chairman of Ascendas (JTC unit)
Mr Peh Chin Hua	Jalan Besar GRC	Executive Chairman and Chief Executive of Dragon Land (Keppel Land unit)

The government's efforts to co-opt its politicians from the private sector

The PAP has often looked to GLCs for potential candidates as MPs, parliamentary secretaries and ministers. GLCs provide a uniquely effective way for the party to assess potential candidates outside of the civil service. Without being able to own businesses in the private sector, the ruling PAP government might find it more difficult to find people whom it has worked with and whom it can trust. The following table lists a number of present PAP MPs who were selected as electoral candidates after working in a GLC:

PAP MP	Present Appointment	Former GLC Position
Mr Goh Chok Tong	Prime Minister	Managing Director of Neptune Orient Lines
Mr Wong Kan Seng	Minister for Home Affairs	Manager of NatSteel
Mr Mah Bow Tan	Minister for National Development	Chief Executive of Singapore Monitor
Mr Lim Boon Heng	Minister without Portfolio, Prime Minister's Office	Manager of Neptune Orient Lines
Dr Lee Boon Yang	Minister for Manpower	Senior Manager of Primary Industries Enterprise (Primary

		Production Department unit)
Mr David Lim Tik En	Acting Minister for Information, Communications and the Arts and Senior Minister of State for Defence	Chief Executive of China-Singapore Suzhou Industrial Park Development and Executive Vice President of Sembawang Corporation
Mr Abdullah Tarmugi	Minister for Community Development and Sports and Minister in-Charge of Muslim Affairs	Associate News Editor of Straits Times
Mr Raymond Lim	Minister of State for Foreign Affairs and Trade and Industry	Managing Director of Temasek Holdings
Mr Yatiman Yusof	Senior Parliamentary Secretary for Information, Communications, and the Arts	Editor of Berita Harian and Berita Minggu (SPH unit)
Mr Mohamad Maidin Packer Mohd	Senior Parliamentary Secretary for Home Affairs	Assistant to Editor of Berita Harian
Mr Hawazi Daipi	Parliamentary Secretary for Education	Special Assistant Editor of Berita Harian (SPH unit)
Mr Seng Han Thong	Assistant Secretary-General of NTUC	Senior Associate Editor of Lianhe Zaobao (SPH unit)
Mr Zainul Abidin Rasheed	Mayor for North-East CDC	Editor of Berita Harian and Berita Minggu
Mrs Cynthia Lee	Chief Executive of Bishan-Toa Payoh Town Council	Senior Manager in Esmaco (CapitaLand unit)
Dr Ong Seh Hong	MP	Vice President of GIC
Ms Penny Low	MP	Journalist with Singapore Broadcasting Corporation
Miss Irene Ng	MP	Senior Political Correspondent of Straits Times

The government's Public Sector Divestment Committee in 1987 recommended that the government withdraw from commercial activities where its role was no longer needed to avoid competition with the private sector. Since then, the government has reduced its stakes in several GLCs through public offering of shares. It has also selectively divested a few companies.

Yet its participation in the economy remains entrenched and has even become more widespread. The government continues to control many of the GLCs that are listed on the Exchange. New acquisitions, ventures into new businesses, and the corporatisation of services previously administered by statutory boards have expanded its involvement in the economy. The liberalization of certain industries previously monopolised by a GLC have resulted in only more GLCs.

Given that state involvement in business could be benefiting the government and the people closely connected to it, it is appreciable that even greater resolve would be needed this time for a policy revision.



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CERTIFICATE OF SERVICE

I, Jennifer A. Short, hereby certify that a true and correct copy of the foregoing

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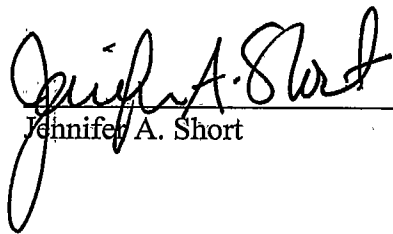
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